

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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**IN RE: INITIAL PUBLIC OFFERING  
SECURITIES LITIGATION**

**CIVIL ACTION NO. 21 MC 92  
(SAS)**

USDC SDNY  
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ELECTRONICALLY FILED  
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DATE FILED: 5/16/11

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**[PROPOSED] ORDER AUTHORIZING CENTENNIAL BANK TO COLLECT THE  
ATTORNEYS FEES AND EXPENSES ALLOCATED TO CAULEY BOWMAN PLLC  
AND CARNEY WILLIAMS BATES BOZEMAN & PULLIAM PLLC**

WHEREAS Cauley Bowman PLLC represented a large number of plaintiffs in the above-captioned case (the “*IPO Securities Litigation*”), served on the Steering and Discovery Committees, and devoted substantial amount of time and money to litigating this action;

WHEREAS, on May 1, 2004, Paul Geller, a member of Cauley Bowman PLLC, left the firm and entered into a Memorandum of Understanding with Cauley Bowman PLLC providing that he is entitled to a percentage of the attorneys fees awarded to the Cauley Bowman PLLC in the *IPO Securities Litigation*;

WHEREAS Carney Williams Bates Bozeman & Pulliam PLLC and Cauley Bowman PLLC signed a Memorandum of Understanding on August 1, 2007 contemplating that Cauley Bowman PLLC would continue to operate and Carney Williams Bates Bozeman & Pulliam PLLC would continue Cauley Bowman PLLC’s work in the *IPO Securities Litigation*;

WHEREAS Centennial Bank loaned \$12.5 million on August 29, 2008 and \$1.5 million May 29, 2009 to Cauley Bowman PLLC and S. Gene Cauley, P.A.;

WHEREAS, to secure payment of the loans, Cauley Bowman PLLC and S. Gene Cauley, P.A. executed a Pledge and Security Agreement assigning, *inter alia*, Cauley Bowman PLLC's share of the attorneys fees in this action to Centennial Bank;

WHEREAS, on October 6, 2009, this Court approved the parties' Stipulation and Agreement of Settlement ("Stipulation") in this action and awarded fees and expenses to plaintiffs' counsel;

*[Docket entry]*

WHEREAS paragraph 42 of the Stipulation provides that, in order for a plaintiffs' firm to receive its share of the attorneys fees after the Stipulation has been approved by the Court but before the Stipulation becomes final, the plaintiffs' firm must post a letter of credit ("LOC") with the escrow agent responsible for the settlement funds;

WHEREAS, on November 24, 2009, a criminal restitution order for \$8.8 million was entered against S. Gene Cauley in *United States of America v. Cauley*, 09-cr-551 (PAC) (S.D.N.Y Nov. 24, 2009);

WHEREAS, on October 8, 2010, the Plaintiffs' Executive Committee proposed allocating \$3,375,105.42 in fees and costs to Cauley Bowman PLLC and \$543,827.45 in fees and costs to the Carney Williams Bates Bozeman & Pulliam PLLC;

WHEREAS the restitution order was entered against S. Gene Cauley personally and not Cauley Bowman PLLC, and the order, as registered in the Eastern District of Arkansas, applies only to real estate and not to personal property such as the attorneys' fees in this action;

WHEREAS, on March 5, 2011, Centennial Bank and Paul Geller entered into an agreement confirming that Centennial Bank may collect the fees allocated to Cauley Bowman PLLC in this case;

WHEREAS, on April 13, 2011, Centennial Bank and Carney Williams Bates Bozeman & Pulliam PLLC entered into an agreement providing that Centennial Bank is entitled to the fees and costs allocated to Cauley Bowman PLLC and Carney Williams Bates Bozeman & Pulliam PLLC;

WHEREAS the Government has indicated that, notwithstanding the restitution order entered against S. Gene Cauley, it has no objection to Centennial Bank collecting the fees and costs allocated by the Plaintiffs' Executive Committee to Cauley Bowman PLLC and Carney Williams Bates Bozeman & Pulliam PLLC;

IT IS HEREBY ORDERED THAT:

1. Centennial Bank may, upon posting an LOC that satisfies paragraph 42 of the Stipulation with the escrow agent responsible for the settlement funds in this case, collect the fees and expenses allocated by the Plaintiffs' Executive Committee to Cauley Bowman PLLC and Carney Williams Bates Bozeman & Pulliam PLLC.

Dated: New York, New York

May 16 2011

SO ORDERED:

  
SHIRA A. SCHEINDLIN, U.S.D.J.